
From: Greg Lee [Lee4311@comcast.net]
Sent: Monday, September 08, 2008 12:04 PM
To: Therien, Ned (DOH)
Subject: School Health and Safety Rules-Statement of Support
Attachments: SBE Final Rengrant Rpt.doc; 60 Maintenance and Operation.doc

September 8, 2008

Mr. Ned Therien, RS
Board of Health
PO Box 47990
Olympia, Washington 98504-7990

RE: School Health and Safety Rules—Statement of Support

The Board of Health (BOH) meets on Wednesday, September 10th to take public testimony and consider final action, or delay, on the new school health and safety rules. I am unable to attend because I'll be out of town. But I want the board to know that these proposed rules and the contentiousness surrounding them offer the best opportunity yet to revise school finance in a way that will support the building services (maintenance, operations, etc.) in our public schools so that safe and healthy schools becomes a sustainable practice. This is the "enabling crisis" that opens the door to legislative action to solve the problem of funding the maintenance and operations of our public school facilities in a safe, healthy, and sustainable manner once and for all.

In short, we need to 1) create a **categorically funded program** based on appropriate drivers for the building services (square footage, age, condition) and get them out of the schools' general fund; 2) allow or require the establishment of some kind of reserve fund at the local level to deal with planned future system replacements; and 3) continue to fund, at a greater level, the small repair grant program for system repairs and renovations for health and safety purposes—as originally intended.

I see from the associated materials on-line that the House and Senate have proposed a delay until the Joint Legislative Task Force on Basic Education Finance completes its study on the funding structure of our K-12 schools in December 2008. I have not followed their work but in the past the issue of school maintenance and operations was always left out of the study and discussion. I've urged SPI and the school associations to get this issue (categorical funding) on the agenda of the various school finance study groups for many years but it never happened. I don't know if this has gone anywhere in the current task force work but if not then it needs to get started in earnest. It's not rocket science and it would not de-rail the study at any point in its critical path to December completion. Perhaps this board action will push the matter forward.

I'm not sure if final adoption or delay of the new school health and safety rule is the wisest choice on September 10th. But I am more than certain that it creates the situation that proponents of school facility preservation are looking for to get the ball rolling on the only true

9/8/2008

solution to adequate and secure funding of the building services (maintenance, operations, etc.) in our local school district budgets—categorical funding. If that happened then rules such as these would be viewed as an asset instead of a liability to the school establishment because the funding formulae could be adjusted to support them. Without that compliance is doubtful and resistance can be expected.

I am asking the board to use its power and influence to persuade the joint legislative task force on basic education finance to include the establishment of a categorically funded program to support the building services for K-12 facilities in their current study. Building services need to be withdrawn from the schools' general fund and taken off the basic education drivers. There is no other way. If this gets neglected again then it will be business as usual and the schools will not respond to the health and safety needs of close to one million vulnerable aged students spending at least 180 days per year for 12 or more years of their lives in these public facilities. The public health drawbacks of this are obvious.

I am also asking the board to support a larger biennial appropriation, perhaps as much as \$10 million, for the small repair grant program to help schools fund the repairs and renovations needed to resolve the many health and safety issues that are prevalent in our public schools today. I have witnessed those up close and personal as the manager of the federally funded Rengrant program (2001-2003) which was the predecessor of the state funded small repair grant program. The Rengrant program was conducted with the full cooperation of the DOH Environmental Health Section and the K-12 Health and Safety Officer.

I have attached two documents to this message. One is a summary of the Rengrant program. It explains the fiscal hardship of funding minor repairs and renovations (for health and safety or any other purpose) at the local level. The other is a listing of the building services (the 97-60s) that are locked in the general fund and therefore vulnerable to any other instructional need. These are the activities that need the protection of categorical funding that will produce the results desired in the new school health and safety rules. Trust me on this: THERE IS NO OTHER WAY.

Please enter this letter and the attached documents in the official record. If you have any questions please call me.

Sincerely,

Greg Lee, Ret.
4311 60th Ave. S.W.
Olympia, WA 98512
(360) 943-3276

Attachments:

Federal Emergency School Repair and Renovation Grants (Rengrants) Filling a Niche

Washington State has been a major participant in providing capital outlay to equalize district expenditures for school construction and major modernization or building replacement for many decades. However, this participation is not universal and unlimited. Projects must be approved by the state board of education and the local share (match) must be secured and spent prior to gaining access to state funds. Costs for repairs and renovations, unless included in a major modernization, are considered "minor works" and are not shared (equalized) by the state under WAC 180-33-015 (3)(b). They are below the project cost threshold (40%) required to qualify for state assistance under WAC 180-33-035.¹ Minor works are exclusively a local financial burden.

But minor works do not fare well in the district budget process. The competition for scarce resources at the local level is fierce. Minor works and major repairs and renovations of building systems and components are commonly deferred as a means of balancing the annual district operating budget. The result of that practice is inevitable—accelerated deterioration. And as building systems and components deteriorate, they eventually transform into health and safety risks, building deficiencies, or code violations. Over time, districts accumulate an extensive list of minor works (repair and renovation) needs that exceed the local fiscal capacity.

Minor works projects that exceed annual operating budget capacity can only be done if they are included in an operating or capital levy. There they face more barriers. Debt limits are one. Plus, local districts have disparities in wealth that result in unequal access to revenue (voted debt) to pay for repairs and renovations. Further, local voted debt is contingent upon a super-majority (60%) vote and validation requirements. Again, the local effort required to provide funds for repair and renovation purposes is not equalized by the state because the costs are too small to qualify as "major structural change" under RCW 28A.525.030 and the above state board of education rules.² Without operating budget or levy support the projects await a bond issue (long-term debt financing) that is subject to the exact same financial and electoral barriers.

It has not been demonstrated that the current school financial system is capable of supporting urgent repair and renovation needs (minor works) at the district level. In fact, the Rengrant experience shows quite the opposite—urgent health and safety risks and code deficiencies have gone unaddressed, sometimes for decades. The project needs identified and documented under the Rengrant program are not the problem; they are the result of the problem—a flaw in school finance policy.³ Needed projects simply don't get done. The financial resources required are obviously beyond the fiscal capacity of the local school districts. It is clear that repair and

¹ Washington State uses an area cost allowance (per square foot) to calculate the maximum allowable state share of the project cost. The project cost must be at least 40% of the area cost allowance to qualify for state assistance. If the area cost allowance is \$110.32/SF, then the project must meet or exceed \$44.13/SF. Minor works don't qualify.

² Without equalization, the property tax burden on the patrons of a small, property poor district is greater than the burden on the patrons of a larger, property rich district for the same \$100,000 project. See tax discussion on page three. The financial need is the same, but the tax burden is not. This disparity is exaggerated as project costs rise until they finally reach the level where the building qualifies for state assistance (equalization) under WAC 180-33-035. For FY 2003 that level was \$110.32 x 40% = \$44.13/square foot. The Rengrant projects came in at an average of \$2.53/square foot. State assistance is a distant dream.

³ See Financing School Facilities, A report prepared by ASBO International's Facilities Project Team, Association of School Business Officials International, 1999, 16p.

renovation funds from another source are needed to fund “minor works” for emergency health and safety, fire code compliance, accessibility, and abatement purposes in our public schools.

The potential health and safety and/or code compliance risk in a system the size and age of Washington’s common school system is enormous. The system consists of approximately 1,915 schools in 296 school districts containing an estimated 123.75 million square feet of instructional space. There are 43,544 regular and 3,230 handicapped teaching stations. Many thousands of individual buildings, building systems, sub-systems, and components complete the picture. There are another estimated 4,445 portable structures used for instruction.⁴

Age, design, construction quality, and maintenance reinvestment are the major drivers of building condition and repair and renovation needs. Almost 20.2 million square feet (16.3%) of Washington’s schools were built before 1950. Another 44.5 million square feet (36%) were built during the 1950s and 1960s. Cumulatively, 89.4 million square feet (72%) of Washington’s schools were built before 1980.⁵ The aggregate maintenance reinvestment in the K-12 inventory is only half the minimum recommended level of two percent of the building replacement cost per year. The state supported school modernization program has had a positive effect on the learning environment in aging school facilities, but only supports major modernization—not repairs and renovations (minor works) of the nature, scope, and cost addressed under the Rengrant program.

Federal funds (\$10.35 million) were made available (P.L. 106-554) in 2001 for emergency school repair or renovation projects necessary to ensure the health and safety of students and staff. The federal legislation provided examples of the types of projects that fall into the health and safety category. These include repairing, replacing or installing roofs, electrical wiring, plumbing systems, sewage systems, heating, ventilation, or air conditioning systems. Districts could also use grant funds to bring schools into compliance with fire and safety codes, to make school facilities accessible in order to comply with the Americans with Disabilities Act (ADA) of 1990 or section 504 of the Rehabilitation Act of 1973, and for asbestos abatement or removal.

Districts were asked to follow a rigorous process to determine their emergency repair and renovation needs in the above categories. Step one was to identify schools with the greatest risks using the OSPI/DOH Health and Safety Guide, the School Indoor Air Quality Best Management Practices Manual, and other useful tools made available at the Rengrant program website. Step two was to analyze those buildings using a building condition evaluation process structured specifically for the Rengrant program. Building deficiencies were identified and projects were proposed to mitigate the health and safety risks and code deficiencies. Districts prioritized these projects, estimated their costs, and completed the Rengrant application. All the supporting data (electronic) accompanied the application and are currently housed in the Rengrant database.

The Rengrant applications explained the risks, deficiencies, and projects in narrative form. The descriptions were backed up by data from the building evaluation forms. Districts requested grants to fund a variety of facility risks and challenges. Among them were toxic mold conditions from water intrusion, HVAC and roofing failures, fire alarm and suppression systems that no

⁴ The data in this paragraph were yielded by the SBE inventory project conducted from January to June 2000. See OSPI Bulletin No. 13-00, dated January 31, 2000.

⁵ Ibid

longer worked or were incomplete, and unsafe or inadequate classroom situations due to degraded environmental equipment.

The usual environmental health issues like poor indoor air quality, inadequate temperature control, substandard lighting, and noise were identified and documented too. The all too common cause was the lack of maintenance reinvestment, which itself is a victim of a flawed school finance policy. Recent research is developing a closer association between environmental health issues and academic achievement.⁶ The short and long-term health risk to a vulnerable population (age 5-17) is obvious. There were also many lingering accessibility and asbestos abatement or removal needs. Any one of these issues may result in school closure as demonstrated by recent experience in eastern, central, and western Washington school districts. They may drive community complaints and labor-management disputes as well.

Districts selected their Rengrant projects to mitigate the identified risks. The relationships between the risks and the projects had to be described to the satisfaction of a highly qualified multi-disciplinary state review panel. The most requested "top priority" projects were heating and ventilating repairs and renovations. That was followed closely by fire alarm systems and then asbestos abatement projects. Roofs and accessibility (ADA) projects were next. Project breakdown tables that identify the types and numbers of projects requested are attached.

In summary, 128 of 296 districts (43%) completed the Rengrant process. A total of 218 of an estimated 1,915 school facilities (11.3%) were examined and evaluated. A total of 262 individual buildings were examined comprising over 10.26 million (8.3%) square feet in a K-12 inventory of an estimated 123.75 million total square feet. Almost 10,000 building components and over 20,000 assemblies were evaluated. A total of 587 emergency school repair and renovation projects were submitted for funding. Over \$24.6 million (\$2.40/SF) was requested for 587 projects. All of these data are now housed in the Rengrant database.

Unfortunately, funds were only available to provide grants to 99 of the 128 competing districts. Only about 25% of the 587 projects requested were funded because the review panel refused to make awards beyond the \$100,000 grant limit⁷ in an effort to spread the money as far as possible. The goal was to serve the maximum number of districts, schools, students and staff possible with the available funds. The grant limit and elimination of a local match requirement equalized local access to revenue for repairs and renovations at the \$100,000 level. The bulk of the districts receiving money were in rural and agricultural communities.

In many (25) of those communities the property tax rate needed to raise \$100,000 was over \$1.00 per each \$1,000 of assessed valuation. The average tax rate needed for the 99 Rengrant districts was \$0.91/\$1,000. The median was \$0.44/\$1,000. The lowest rate was \$0.0083/\$1,000. The tax bill for the owner of a \$100,000 home there would be \$0.83. The highest tax rate of any district needed to raise \$100,000 was \$8.41/\$1,000. The tax bill for the owner of a \$100,000 home there would be \$841.00. And the cost of emergency repairs and renovations in most districts is almost

⁶ See Do School Facilities Affect Academic Outcomes? Mark Schneider, National Clearinghouse for Educational Facilities, November 2002, 24p.

⁷ Districts at or below 10,000 students were allowed a grant limit of \$100,000. Districts above 10,000 students generated a higher grant limit. Ten of the 99 grants were for over \$100,000.

always well over \$100,000, which only adds to the tax bill. As stated earlier, among other disadvantages, minor works costs are perceived to be a threat to levy passage for program or instructional needs, and all too often are excluded. It's a major dilemma for school budgeters. It's no wonder that minor works projects and costs pile up. The system seems to work against it.

If this is a valid random sample, and if the projects submitted are truly "emergency" in nature, then the total projected statewide need for emergency repairs and renovations may equal almost \$300 million.⁸ We do not yet know the full scope of the problem with any precision. But we do know that this issue is significant when we review the health and safety and ADA scores yielded by the Rengrant building evaluation tool.

In addition to measuring building condition, the Rengrant building evaluation tool evaluates health and safety conditions that jeopardize occupancy, hinder emergency notification and evacuation, and systems to control the spread of fire. An analysis of those data suggests that school building health and safety is a very serious problem for Washington's public schools. There is at least one major life safety issue, several conditions of concern, or many compromised components in 62% of buildings 16 years of age and older. And the problems only worsen in severity and breadth with age. Building age is also a significant factor in ADA compliance.

The federal Rengrant program filled a unique and much needed niche for capital outlay in Washington's schools by fully funding urgent health and safety and/or code compliance projects. These projects (minor works) normally dwell in "no-man's-land" as they are beyond the fiscal capacity of the local district and are not eligible for state assistance. They are subject to three major barriers: the inability to compete for local operating funds, the inability to gain (or even be considered for) bond or levy support, and the inability to qualify for state financial assistance. You might call this the "triple whammy." School facilities in 99 districts now have a better chance of supporting the academic achievement levels aspired to in the current education reform movement due to the Rengrant program. But there is much more to do.

The Rengrant experience has documented (at the state level) a compelling health, safety, and educational issue that has been building at the local level for some time. It is a new opportunity for government action. Compulsory attendance and equal educational opportunity requirements demand elevation of this issue to the policy level. School children are entitled to safe, healthy, and code compliant facilities. But the current system does not deliver or sustain that in a general and uniform manner. Major education policy players like the state board of education and the superintendent of public instruction will shape the ultimate response to this issue. Health and safety players and other interests will round out the field. There are many options that could be pursued at several different levels.⁹ This dialogue needs to begin in earnest very soon.

This report concludes with the following quotations. The source of the first is unknown. The second is from the Strayer Report in 1946. The Strayer Report was the basis of a major reform effort in Washington's K-12 school system in 1947.

⁸ Computed as follows: Multiply \$2.40/SF x 123.75 million SF = \$297 million.

⁹ See Financing School Facilities, ASBO International, 1999

"The school building is a teaching and learning resource composed of physical space, objects, furniture, and their arrangement. It is order and disorder, light, color, heat, ventilation, and sound forming a complex, intangible presence to its occupants. It bombards pupils with physical and emotional stimuli. It communicates a message of what is expected to happen in that particular place. The school building helps structure the formal and informal relationships between teacher and learner and between learner and learner. It is the shelter - the life support system - that defines the learner's physical existence for a period of time." --Unknown

"The school plant is a concrete, objective expression of the educational and social philosophy of the community in which it stands. An alert, informed observer with a pass key walking around and through empty school buildings on a Saturday morning can get a more complete and reliable picture of the educational philosophy of the professional staff, the board of education, and the community in a few hours than he could by days of searching through records, reports, bulletins, and publications." --Strayer, 1946

Washington State is in the midst of another education reform movement now. School facilities must play their proper role in support of that movement. School facilities that are incapable of doing that will not support the school program in the most efficient and effective manner. And because of Article IX of Washington's unique Constitution, where public education is declared to be the paramount duty of the State, that is an unflattering and unacceptable reflection on the State and undermines its new academic achievement expectations.

60 Maintenance and Operation

This series consists of activities concerned with keeping the physical plant open, comfortable, and safe for use and keeping the grounds, buildings, and equipment in an efficient working condition. Expenditures identified with this series must be charged to Program 97 Districtwide Support, except:

- Expenditures identifiable with federal programs that should be charged directly or through the use of debit and credit transfer objects.
- Expenditures chargeable to a state program for which approval has been obtained for specific direct expenditures.
- Expenditures chargeable directly to Program 89 Other Community Services (Activities 63, 65, 66, and 68 only).
- Expenditures chargeable directly to Program 99 Pupil Transportation (Activities 62, 63, 64, and 66 only).
- Expenditures for Pupil Management and Safety are chargeable directly to Activity 25.

Activity 61 Supervision

Services of supervisory personnel and their secretarial and clerical assistants.

Activity 62 Grounds Maintenance

Included are expenditures for routine care of grounds, such as raking, hoeing, watering, cutting and protecting lawns, transplanting, trimming, and caring for flower beds. Include all related supplies and materials.

Maintenance includes expenditures of maintaining grounds and equipment. Include repairing or replacing walks, fences, tennis courts, playground surfaces, lawn sprinkling systems, outside flagpoles, driveways, and sewers.

Activity 63 Operation of Buildings

Included are expenditures for custodians and heating engineers who maintain buildings. Include expenditures for all small equipment items and consumable supplies used by operating personnel.

In additional, include rental expenditures for land and buildings for purposes other than pupil transportation. Equipment rentals are charged to the using activity and appropriate program.

Activity 64 Maintenance

Included are expenditures for maintaining buildings and equipment through repair and upkeep. Services include, but are not limited to, repainting, redecorating, resurfacing, refinishing, reshingling, and repairing of structures, foundations,

doors, windows, hardware, gutters, downspouts, window glass, window shades, stage curtains, drapes and built-in equipment such as lockers, cabinets, venetian blinds, swimming pool filtration equipment, soap and towel dispensers, bulletin boards, and door checks.

Include expenditures for moving portable structures and maintenance of service systems, including the repair and replacement of heating systems, electric lighting systems, bells, clocks, intercommunication systems, sewers, fire safety systems, plumbing systems, and elevators.

When the fabrication of equipment and furnishings by school employees is an appreciable expenditure, expenditures should be transferred to the using activity and appropriate program.

Contractual repair and maintenance of equipment, including audio-visual and refrigeration equipment, should be charged to the using activity and the appropriate program. Transfer in-house repair expenditures to the using program/activity by means of debit and credit transfer objects.

Do not include maintenance of buildings and equipment for Program 99 Pupil Transportation.

Activity 65 Utilities

Include expenditures for water, electricity, sewage, gas, coal, wood, oil, sanitary, recycling, basic voice telecommunications services, and other service assessments or charges. Telecommunications expenditures that are part of the instructional program, such as video or data transmission, may be charged directly to the appropriate activity or may be transferred using debit and credit transfer objects of expenditures.

Activity 67 Building and Property Security

Include services designed to protect buildings and other property of the district from unlawful entry, vandalism, and burglary. Include the expenditures for security supervision, security patrols, and intrusion devices. Include maintenance of security devices and telephone line charges as well as monitoring expenditures. Also include expenditures for fire protection services. Charge services related to pupil management and safety to Activity 25.

Activity 68 Insurance

Include provision for property, employee, liability insurance, and fidelity bonds in this activity. Do not include pupil transportation insurance that is charged to Activity 56 Insurance.

Other Helpful State Accounting Manual Definitions

Repairs

Expenditures for **repairs to building structures that do not add to existing facilities** are recorded under the General Fund Activity 64 Maintenance. As a general guide concerning repairs to building structures, if changes of partitions, roof structure, or walls are not involved, the expenditures are recorded under the General Fund Activity 64 Maintenance; if such changes are involved, the expenditures are involved, the expenditures are recorded under the Capital Projects Fund as remodeling.

Renovations

The Capital Projects Fund records **major renovations consisting of the replacement of roofing, floor covering, or service systems when periodic repairs are no longer economical. Replacement is the replacement of a unit of equipment or fixture with another unit or fixture that serves the same purpose in the same way and has approximately the same expected lifetime as the replaced unit when installed.** Normal repairs should be charged to the General Fund Activity 64 Maintenance.